



Reprinted  
February 25, 2005

---

## HOUSE BILL No. 1747

---

DIGEST OF HB 1747 (Updated February 24, 2005 10:56 pm - DI 52)

**Citations Affected:** IC 6-1.1; noncode.

**Synopsis:** Property taxes. Allows the deferral of any part of the property taxes that: (1) exceed a minimum required payment; and (2) are imposed on a homestead that is the principal place of residence of an individual who is at least 65 years of age, blind, or disabled (or the individual's surviving spouse) and who would otherwise qualify for a homestead credit. Increases from \$25,000 to \$35,000 the adjusted gross income eligibility amount for the age 65 and older property tax deduction.

**Effective:** March 1, 2005 (retroactive); upon passage; July 1, 2005.

---

---

**Budak, Turner, Thompson,  
Crawford**

---

---

January 19, 2005, read first time and referred to Committee on Ways and Means.  
February 21, 2005, amended, reported — Do Pass.  
February 24, 2005, read second time, amended, ordered engrossed.

---

---

C  
o  
p  
y

HB 1747—LS 7106/DI 51+



First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1747

---

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-5-7 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A person to  
3       whom the title to real property has passed, either under the laws of  
4       descent of this state or by virtue of the last will of a decedent, may  
5       procure a transfer of the real property on the tax duplicate on which the  
6       real property is assessed and taxed. In order to procure the transfer, the  
7       person must prepare an affidavit and, except as provided in section 9  
8       of this chapter, file it with the auditor of the county in which the real  
9       property is situated. The affidavit shall contain the following  
10      information:

11           (1) The decedent's date of death.

12           (2) Whether the decedent died testate or intestate. ~~and~~

13           (3) The affiant's interest in the real property.

14           **(4) If the real property is residential property, the amount of**  
15           **any taxes that have been deferred under IC 6-1.1-45.**

16      In addition, if the decedent died testate, the affiant must attach a  
17      certified copy of the decedent's will to the affidavit. However, if the

C  
o  
p  
y



will has been probated or recorded in the county in which the real property is located, the affiant, in lieu of attaching a certified copy of the will, shall state that fact in the affidavit and indicate the volume and page of the record where the will may be found.

(b) Except as provided in section 9 of this chapter, the county auditor shall enter a transfer of the real property in the proper transfer book after the affidavit is filed with ~~his~~ **the county auditor's** office.

(c) No transfer made under this section has the effect of conferring title upon the person procuring the transfer.

**(d) Before the county auditor may transfer real property described in subsection (a) on the last assessment list or apportion the assessed value of the real property among the owners, the owner must pay or otherwise satisfy all taxes on the parcels being transferred that have become due under IC 6-1.1-45 as a result of the death of the person by paying the property tax to the county treasurer of the county in which the real property is located.**

**(e) If a county auditor transfers real property in the proper transfer book in violation of subsection (d):**

**(1) a lien for and the duty to pay property taxes that are due and owing are not released or otherwise extinguished; and**

**(2) property taxes that are due and owing on the affected parcel of property may be collected as if the county auditor had not transferred the property in the proper transfer book in violation of subsection (d).**

SECTION 2. IC 6-1.1-5.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name and address of each transferor and transferee.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.

C  
o  
p  
y



(12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).

(13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

**(16) If the transferred property is residential property, the amount of any taxes deferred under IC 6-1.1-45 and interest due on the deferred taxes.**

~~(16)~~ (17) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

SECTION 3. IC 6-1.1-12-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2005 (RETROACTIVE)]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed ~~twenty-five~~ **thirty-five** thousand dollars ~~(\$25,000); (\$35,000);~~

(3) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the

C  
o  
p  
y



deduction; or the individual has been buying the real property, mobile home, or manufactured home under a contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred forty-four thousand dollars (\$144,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

**C  
o  
p  
y**



(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 4. IC 6-1.1-22-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. On or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit **and the amount of taxes deferred under IC 6-1.1-45** at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies **and deferred taxes**. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The **offices of the** auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract ~~in his office~~ as a public record.

SECTION 5. IC 6-1.1-22-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The county treasurer shall keep a register of taxes and special assessments in the manner and on the form prescribed by the state board of accounts. ~~He~~ **The county treasurer** shall enter:

(1) each payment of the taxes and special assessments in the register on the day the payment is received; **and**

C  
o  
p  
y



**(2) each deferral of the payment of property taxes in the register on the day the taxes would otherwise be due if the taxes had not been deferred under IC 6-1.1-45.**

SECTION 6. IC 6-1.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county treasurer shall either:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a statement of current and delinquent taxes and special assessments; or

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records a statement of current and delinquent taxes and special assessments.

(b) The county treasurer may include the following in the statement:

(1) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(2) Information designed to inform the taxpayer or mortgagee clearly and accurately of the manner in which the taxes billed in the tax statement are to be used.

A form used and the method by which the statement and information, if any, are transmitted must be approved by the state board of accounts. The county treasurer may mail or transmit the statement and information, if any, one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

(c) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

**C  
o  
p  
y**



(d) Before July 1, 2004, the department of local government finance shall designate five (5) counties to participate in a pilot program to implement the requirements of subsection (e). The department shall immediately notify the county treasurer, county auditor, and county assessor in writing of the designation under this subsection. The legislative body of a county not designated for participation in the pilot program may adopt an ordinance to implement the requirements of subsection (e). The legislative body shall submit a copy of the ordinance to the department of local government finance, which shall monitor the county's implementation of the requirements of subsection (e) as if the county were a participant in the pilot program. The requirements of subsection (e) apply:

(1) only in:

(A) a county designated to participate in a pilot program under this subsection, for property taxes first due and payable after December 31, 2004, and before January 1, 2008; or

(B) a county adopting an ordinance under this subsection, for property taxes first due and payable after December 31, 2003, or December 31, 2004 (as determined in the ordinance), and before January 1, 2008; and

(2) in all counties for taxes first due and payable after December 31, 2007.

(e) Subject to subsection (d), regardless of whether a county treasurer transmits a statement of current and delinquent taxes and special assessments to a person liable for the taxes under subsection (a)(1) or to a mortgagee under subsection (a)(2), the county treasurer shall mail the following information to the last known address of each person liable for the property taxes or special assessments or to the last known address of the most recent owner shown in the transfer book. The county treasurer shall mail the information not later than the date the county treasurer transmits a statement for the property under subsection (a)(1) or (a)(2). The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included on the form. The information that must be provided is the following:

(1) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(2) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(3) A comparison showing any change in the property tax and special assessment liability for the property as compared to the

**C  
o  
p  
y**





previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(4) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead credit and each deduction.

(C) The procedure that a taxpayer must follow to:

(i) appeal a current assessment; or

(ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(D) The forms that must be filed for an appeal or petition described in clause (C).

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(5) A checklist that shows:

(A) the homestead credit and all property tax deductions; and

(B) whether the homestead credit and each property tax deduction applies in the current statement for the property transmitted under subsection (a)(1) or (a)(2).

(f) The information required to be mailed under subsection (e) must be simply and clearly presented and understandable to the average individual.

(g) A county that incurs:

(1) initial computer programming costs directly related to implementation of the requirements of subsection (e); or

(2) printing costs directly related to mailing information under subsection (e);

shall submit an itemized statement of the costs to the department of local government finance for reimbursement from the state. The treasurer of state shall pay a claim approved by the department of local government finance and submitted under this section on a warrant of the auditor of state. However, the treasurer of state may not pay any additional claims under this subsection after the total amount of claims paid reaches fifty thousand dollars (\$50,000).

**(h) The county treasurer shall include the following in a**

C  
o  
p  
y



statement concerning residential real property (other than property known by the county treasurer to be rental property) that is distributed under subsection (a) after May 15, 2005:

(1) A brief description of the availability of the property tax deferral program under IC 6-1.1-45.

(2) If the property has been approved for the deferral of property taxes:

(A) the minimum required payment that must be made on each installment due date to maintain eligibility for the deferral of property taxes under IC 6-1.1-45;

(B) a separate statement of the amount of property taxes that would otherwise be due and payable by each installment date that may be deferred under IC 6-1.1-45;

(C) the control number assigned under IC 6-1.1-45 to the application for deferral that is in effect;

(D) the cumulative total of the property taxes deferred under IC 6-1.1-45 in the current year and all prior years, if the amount is greater than zero dollars (\$0); and

(E) the cumulative total of interest accruing on property taxes deferred under IC 6-1.1-45, if the amount is greater than zero dollars (\$0).

The information provided under this subsection must be in the form prescribed by the department of local government finance.

SECTION 7. IC 6-1.1-22-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in IC 6-1.1-7-7, **IC 6-1.1-45**, section 9.5 of this chapter, and subsection (b), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(c) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(d) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference

C  
o  
p  
y



1 between the actual liability and the five dollar (\$5) amount that appears  
 2 on the statement is a statement processing charge. The statement  
 3 processing charge is considered a part of the tax liability.

4 SECTION 8. IC 6-1.1-22-10 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A person  
 6 who is liable for property taxes under IC 6-1.1-2-4, **including property**  
 7 **taxes deferred under IC 6-1.1-45 after the deferred taxes become**  
 8 **due**, is personally liable for the taxes and all penalties, cost, and  
 9 collection expenses, including reasonable attorney's fees and court  
 10 costs, resulting from late payment of the taxes.

11 (b) A person's liability under this section may be enforced by any  
 12 legal remedy, including a civil lawsuit instituted by a county treasurer  
 13 or a county executive to collect delinquent taxes. One (1) action may  
 14 be initiated to collect all taxes, penalties, cost, and collection expenses  
 15 levied against a person in the same county for one (1) or more years.  
 16 However, an action may not be initiated to enforce the collection of  
 17 taxes after ten (10) years from the first Monday in May of the year in  
 18 which the taxes first became due. An action initiated within the ten (10)  
 19 year period may be prosecuted to termination.

20 (c) **In addition to any other method of collection authorized**  
 21 **under this article, the department of state revenue may collect:**

22 (1) **property taxes deferred under IC 6-1.1-45, after the**  
 23 **deferred taxes become due; and**

24 (2) **all interest, penalties, costs, and collection expenses,**  
 25 **including reasonable attorney's fees and court costs accruing**  
 26 **under this article, after the deferred taxes become due under**  
 27 **IC 6-1.1-45;**

28 **as a listed tax.**

29 SECTION 9. IC 6-1.1-22-13 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) The state  
 31 acquires a lien on each tract of real property for all property taxes  
 32 levied against the tract, including the land under an improvement or  
 33 appurtenance described in IC 6-1.1-2-4(b), and all subsequent penalties  
 34 and cost resulting from the taxes. This lien attaches on the assessment  
 35 date of the year for which the taxes are assessed. The lien is not  
 36 affected by any sale or transfer of the tract, including the land under an  
 37 improvement or appurtenance described in IC 6-1.1-2-4(b), including  
 38 the sale, exchange, or lease of the tract under IC 36-1-11.

39 (b) The lien of the state for taxes, penalties, and cost continues for  
 40 ten (10) years from May 10 of the year in which the taxes first become  
 41 due. **For purposes of IC 6-1.1-45, the due date is the date to which**  
 42 **property taxes are deferred under IC 6-1.1-45.** However, if any

C  
o  
p  
y



proceeding is instituted to enforce the lien within the ten (10) year period, the limitation is extended, if necessary, to permit the termination of the proceeding.

(c) The lien of the state inures to taxing units which impose the property taxes on which the lien is based, and the lien is superior to all other liens.

(d) A taxing unit described in subsection (c) may institute a civil suit against a person or an entity liable for delinquent property taxes. The taxing unit may, after obtaining a judgment, collect:

- (1) delinquent real property taxes;
- (2) penalties due to the delinquency; and
- (3) costs and expenses incurred in collecting the delinquent property tax, including reasonable attorney's fees and court costs approved by a court with jurisdiction.

SECTION 10. IC 6-1.1-45 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 45. Property Tax Deferral Program**

**Sec. 1.** This chapter applies to the deferral of property taxes for a qualified resident who not later than December 31 in the year containing the assessment date for which property taxes are imposed is:

- (1) at least sixty-five (65) years of age;
- (2) blind (as defined in IC 6-1.1-12-11);
- (3) a disabled person (as defined in IC 6-1.1-12-11); or
- (4) a qualified surviving spouse.

**Sec. 2.** As used in this chapter, "base year" refers to the year determined under section 17(d), 18(d), 19(d), or 20(d) of this chapter.

**Sec. 3.** As used in this chapter, "homestead" means property that:

- (1) qualifies for a homestead credit under IC 6-1.1-20.9; or
- (2) would qualify for a homestead credit under IC 6-1.1-20.9 if the qualified resident filed an application for the credit.

**Sec. 4.** As used in this chapter, "minimum required payment" means the minimum amount that must be paid in a year to retain eligibility for the deferment of property taxes under this chapter, as determined under section 23 of this chapter.

**Sec. 5.** As used in this chapter, "property tax" refers to the amount of ad valorem property tax liability that would be first due and payable in a year on a homestead without any deferral of the taxes under this chapter. The term does not include the following:

C  
o  
p  
y



(1) Special assessments chargeable against a homestead.

(2) Fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8 for parcels that include a homestead.

Sec. 6. As used in this chapter, "qualified resident" means an individual:

(1) whose principal place of residence, as determined under IC 6-1.1-20.9, is the homestead for which an application to defer property taxes has been filed under this chapter;

(2) who has an interest in a homestead that qualifies or would qualify the homestead for a homestead credit under IC 6-1.1-20.9;

(3) who meets the age or disability requirements described in section 1(1), 1(2), or 1(3) of this chapter; and

(4) who continuously uses the homestead as the individual's principal place of residence, as determined under IC 6-1.1-20.9, after the individual initially qualifies as a qualified resident.

Sec. 7. As used in this chapter, "qualified surviving spouse" means an individual who:

(1) is the surviving spouse of a qualified resident who was approved under this chapter to defer property taxes for the assessment date immediately preceding the individual's death, regardless of whether the deceased qualified resident elected to defer any property taxes;

(2) on the date that the qualified resident died, had the individual's principal place of residence, as determined under IC 6-1.1-20.9, at the same homestead as the deceased qualified resident;

(3) continuously uses the homestead as the surviving spouse's principal place of residence, as determined under IC 6-1.1-20.9, after the death of the qualified resident; and

(4) has not remarried.

Sec. 8. As used in this chapter, "taxpayer" means an individual or entity that is liable for property taxes imposed for a year.

Sec. 9. Beginning with property taxes first due and payable in 2006, a taxpayer may, in conformity with this chapter, defer the due date for any part of the property tax liability imposed in a year that exceeds the minimum required payment.

Sec. 10. To qualify for the deferment of property taxes under this chapter, the taxpayer must do the following:

(1) Apply for deferment of property taxes to the auditor of the

C  
o  
p  
y



1 county in which the affected homestead is located in the  
 2 manner and on the forms prescribed by the department of  
 3 local government finance.

4 (2) Apply for deferment of property taxes not later than the  
 5 later of the following:

6 (A) The date when the first installment for property taxes  
 7 being deferred are first due and payable.

8 (B) If the county auditor determines that the failure to file  
 9 a timely application is the result of an inadvertent error,  
 10 the date specified by the county auditor.

11 (3) Demonstrate that the homestead was the principal place of  
 12 residence of at least one (1) qualified resident or qualified  
 13 surviving spouse on the assessment date for which property  
 14 taxes are being deferred.

15 (4) Demonstrate that the owners of the homestead meet any  
 16 conditions established by rule adopted by the department of  
 17 local government finance under IC 4-22-2 that are reasonably  
 18 necessary to protect the government's interest in recovering  
 19 taxes deferred under this chapter when the deferred taxes  
 20 become due.

21 (5) Demonstrate that there are no delinquent property taxes  
 22 of record for the homestead on the assessment date for which  
 23 property taxes are being deferred.

24 Sec. 11. Upon receipt of an application under section 10 of this  
 25 chapter, the county auditor shall:

26 (1) notify the county treasurer that the application has been  
 27 received in the manner and form prescribed by the  
 28 department of local government finance; and

29 (2) determine whether the homestead qualifies for deferment  
 30 of property taxes.

31 Sec. 12. The county auditor shall notify the:

32 (1) taxpayer in writing;

33 (2) county treasurer in the manner and form prescribed by  
 34 the department of local government finance; and

35 (3) if the application is approved, department of local  
 36 government finance in the manner and form prescribed by the  
 37 department of local government finance;

38 of the county auditor's determination concerning the application.  
 39 The due date for property taxes that are the subject of a good faith  
 40 application for deferment of property taxes is deferred under the  
 41 date that the county auditor notifies the taxpayer of the county  
 42 auditor's determination concerning the application.

C  
O  
P  
Y



1       **Sec. 13. (a) A homestead that is approved under this chapter for**  
 2       **the deferral of property taxes continues to be eligible for the**  
 3       **deferment of property taxes in subsequent years without the**  
 4       **refiling of an application under section 10 of this chapter as long**  
 5       **as:**

- 6           (1) the homestead continues to be the principal place of  
 7           residence for a qualified resident identified in the application  
 8           or the qualified surviving spouse of the qualified resident; and  
 9           (2) the minimum required payments for the homestead are  
 10          made by the later of:  
 11            (A) the due date; or  
 12            (B) if the county auditor determines that a payment was  
 13            not made for a reason authorized under rules adopted  
 14            under IC 4-22-2 by the department of local government  
 15            finance, the date set by the county auditor.

16       **(b) A taxpayer for the homestead shall notify in the manner and**  
 17       **form prescribed by the department of local government finance the**  
 18       **auditor of the county in which the homestead is located of any**  
 19       **change in ownership of the homestead regardless of whether the**  
 20       **change affects the eligibility of the homestead for deferment under**  
 21       **this chapter.**

22       **(c) If an event results in:**

- 23           (1) deferred property taxes becoming due under this chapter;  
 24           or  
 25           (2) ineligibility of the homestead for further deferment of  
 26           property taxes;

27       **a taxpayer for the homestead shall, within thirty (30) days after the**  
 28       **event, notify the auditor of the county in which the homestead is**  
 29       **located of the disqualifying event in the manner and form**  
 30       **prescribed by the department of local government finance.**

31       **(d) The county auditor and county treasurer shall:**

- 32           (1) allow the deferment of property taxes that would  
 33           otherwise be first due and payable in a year for a homestead  
 34           that has been approved for deferment under this chapter; and  
 35           (2) continue to defer the accumulated amount of unpaid  
 36           property taxes and interest accruing on property taxes  
 37           deferred from a preceding year;

38       **unless the county auditor determines that the homestead is no**  
 39       **longer eligible for deferment.**

40       **(e) The county auditor shall notify the:**

- 41           (1) taxpayer;  
 42           (2) county treasurer; and

**C**  
**O**  
**P**  
**Y**



(3) department of local government finance;  
in the manner and form prescribed by the department of local government finance of the county auditor's determination concerning an event described in subsection (c).

Sec. 14. (a) A taxpayer for a homestead shall notify the county treasurer of the amount of property taxes that the taxpayer seeks to defer under this chapter in the manner and form prescribed by the department of local government finance.

(b) The department of local government finance shall provide procedures for notification under this section:

(1) on an annual basis; or

(2) on a continuing or multiyear basis;

at the election of the taxpayer. The department of local government finance shall allow a taxpayer to combine a notification of the amount to be deferred with an application filed under section 10 of this chapter. If the notice is combined with an application, the county auditor shall forward the notice to the county treasurer in the manner and form specified by the department of local government finance. The department of local government finance shall allow the taxpayer to designate what percentage of the amount to be deferred will be deferred in each installment due in that year.

(c) To apply to property taxes due in a year, a notice under this section that describes the amount to be deferred in that year must be filed not later than the following:

(1) The date the first installment of the deferred taxes is due.

(2) If the county treasurer determines that the failure to file a timely application is the result of an inadvertent error, the date specified by the county treasurer.

Sec. 15. The county treasurer shall allow the deferment in any particular year of not more than the lesser of the following:

(1) The amount that the taxpayer requests be deferred.

(2) The property tax liability exceeding the minimum required payment.

If the taxpayer designates the percentage of the deferment to apply to an installment date, the county treasurer shall apply the deferment as requested by the taxpayer. Otherwise the county treasurer shall apply the deferment in the manner prescribed by the department of local government finance.

Sec. 16. The county auditor shall calculate the initial year threshold amount for the base year of each homestead. In performing the calculation, the addition of a negative number shall

C  
o  
p  
y





be treated as reducing the sum.

**Sec. 17. (a) This section applies to a homestead if the homestead:**

(1) was the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2001, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2002; and

(2) has continuously served as the principal place of residence of the qualified resident thereafter.

(b) Subject to subsection (c), the initial year threshold amount for the base year for the homestead is the amount determined under STEP FOURTEEN of the following formula:

**STEP ONE: Determine the result of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2003; minus

(B) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2001, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2002.

**STEP TWO: Determine the product of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2001, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2002; multiplied by

(B) one and twenty-five hundredths (1.25).

**STEP THREE: Determine the lesser of the STEP ONE result or the STEP TWO result.**

**STEP FOUR: Determine the result of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004; minus

(B) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2003.

**STEP FIVE: Determine the product of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that

**C  
o  
p  
y**



1 is a homestead, January 15, 2003; multiplied by  
 2 (B) one and one-tenth (1.1).  
 3 **STEP SIX: Determine the lesser of the STEP FOUR result or**  
 4 **the STEP FIVE result.**  
 5 **STEP SEVEN: Determine the result of:**  
 6 (A) the property tax liability for the homestead that is  
 7 imposed for the assessment date on March 1, 2004, or in  
 8 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 9 is a homestead, January 15, 2005; minus  
 10 (B) the property tax liability for the homestead that is  
 11 imposed for the assessment date on March 1, 2003, or in  
 12 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 13 is a homestead, January 15, 2004.  
 14 **STEP EIGHT: Determine the product of:**  
 15 (A) the property tax liability for the homestead that is  
 16 imposed for the assessment date on March 1, 2003, or in  
 17 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 18 is a homestead, January 15, 2004; multiplied by  
 19 (B) one and one-tenth (1.1).  
 20 **STEP NINE: Determine the lesser of the STEP SEVEN result**  
 21 **or the STEP EIGHT result.**  
 22 **STEP TEN: Determine the result of:**  
 23 (A) the property tax liability for the homestead that is  
 24 imposed for the assessment date on March 1, 2005, or in  
 25 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 26 is a homestead, January 15, 2006; minus  
 27 (B) the property tax liability for the homestead that is  
 28 imposed for the assessment date on March 1, 2004, or in  
 29 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 30 is a homestead, January 15, 2005.  
 31 **STEP ELEVEN: Determine the product of:**  
 32 (A) the property tax liability for the homestead that is  
 33 imposed for the assessment date on March 1, 2004, or in  
 34 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 35 is a homestead, January 15, 2005; multiplied by  
 36 (B) one and one-tenth (1.1).  
 37 **STEP TWELVE: Determine the lesser of the STEP TEN**  
 38 **result or the STEP ELEVEN result.**  
 39 **STEP THIRTEEN: Determine the sum of the following:**  
 40 (A) STEP THREE result.  
 41 (B) STEP SIX result.  
 42 (C) STEP NINE result.

**C**  
**O**  
**P**  
**Y**



**(D) STEP TWELVE result.**

**STEP FOURTEEN: Determine the greater of the STEP THREE result or the STEP THIRTEEN result.**

**(c) If on an assessment date after March 1, 2001, and before March 2, 2005, the assessed value of the homestead is increased by an improvement to real property or an addition of real property, the property tax liability attributable to the improvement or addition shall be excluded from the calculations under subsection (b). In this case, the initial year threshold amount for the base year is the sum of the following:**

**(1) The result determined under subsection (b) without considering the effects of the improvement or the addition.**

**(2) The property tax liability attributable to the improvement or addition for the March 1, 2005 assessment date.**

**(d) The following is the base year for the homestead:**

**(1) 2005, to the extent the homestead consists of real property.**

**(2) 2006, to the extent that the homestead consists of a mobile home (as defined in IC 6-1.1-7-1).**

**Sec. 18. (a) This section applies to a homestead if the homestead:**

**(1) was not the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2001, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2002;**

**(2) was the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2003; and**

**(3) has continuously served as the principal place of residence of the qualified resident thereafter.**

**(b) Subject to subsection (c), the initial year threshold amount for the base year for the homestead is the amount determined under STEP TWELVE of the following formula:**

**STEP ONE: Determine the property tax liability for the homestead that is imposed for the assessment date in March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2003.**

**STEP TWO: Determine the result of:**

**(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that**

**C  
O  
P  
Y**



1 is a homestead, January 15, 2004; minus  
 2 (B) the property tax liability for the homestead that is  
 3 imposed for the assessment date on March 1, 2002, or in  
 4 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 5 is a homestead, January 15, 2003.

6 **STEP THREE: Determine the product of:**

7 (A) the property tax liability for the homestead that is  
 8 imposed for the assessment date on March 1, 2002, or in  
 9 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 10 is a homestead, January 15, 2003; multiplied by  
 11 (B) one and one-tenth (1.1).

12 **STEP FOUR: Determine the lesser of the STEP TWO result**  
 13 **or the STEP THREE result.**

14 **STEP FIVE: Determine the result of:**

15 (A) the property tax liability for the homestead that is  
 16 imposed for the assessment date on March 1, 2004, or in  
 17 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 18 is a homestead, January 15, 2005; minus  
 19 (B) the property tax liability for the homestead that is  
 20 imposed for the assessment date on March 1, 2003, or in  
 21 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 22 is a homestead, January 15, 2004.

23 **STEP SIX: Determine the product of:**

24 (A) the property tax liability for the homestead that is  
 25 imposed for the assessment date on March 1, 2003, or in  
 26 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 27 is a homestead, January 15, 2004; multiplied by  
 28 (B) one and one-tenth (1.1).

29 **STEP SEVEN: Determine the lesser of the STEP FIVE result**  
 30 **or the STEP SIX result.**

31 **STEP EIGHT: Determine the result of:**

32 (A) the property tax liability for the homestead that is  
 33 imposed for the assessment date on March 1, 2005, or in  
 34 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 35 is a homestead, January 15, 2006; minus  
 36 (B) the property tax liability for the homestead that is  
 37 imposed for the assessment date on March 1, 2004, or in  
 38 the case of a mobile home (as defined in IC 6-1.1-7-1) that  
 39 is a homestead, January 15, 2005.

40 **STEP NINE: Determine the product of:**

41 (A) the property tax liability for the homestead that is  
 42 imposed for the assessment date on March 1, 2004, or in

C  
o  
p  
y



the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005; multiplied by (B) one and one-tenth (1.1).

**STEP TEN: Determine the lesser of the STEP EIGHT result or the STEP NINE result.**

**STEP ELEVEN: Determine the sum of the following:**

- (A) STEP FOUR result.
- (B) STEP SEVEN result.
- (C) STEP TEN result.

**STEP TWELVE: Determine the greater of the STEP ONE result or the STEP ELEVEN result.**

(c) If on an assessment date after March 1, 2002, and before March 2, 2005, the assessed value of the homestead is increased by an improvement to real property or an addition of real property, the property tax liability attributable to the improvement or addition shall be excluded from the calculations under subsection (b). In this case, the initial year threshold amount for the base year is the sum of the following:

- (1) The result determined under subsection (b) without considering the effects of the improvement or the addition.
- (2) The property tax liability attributable to the improvement or addition for the March 1, 2005, assessment date.
- (d) The following is the base year for the homestead:
  - (1) 2005, to the extent the homestead consists of real property.
  - (2) 2006, to the extent that the homestead consists of a mobile home (as defined in IC 6-1.1-7-1).

**Sec. 19. (a) This section applies to a homestead if the homestead:**

- (1) was not the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2002, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2003;
- (2) was the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004; and
- (3) has continuously served as the principal place of residence of the qualified resident thereafter.

(b) Subject to subsection (c), the initial year threshold amount for the base year for the homestead is the amount determined under STEP NINE of the following formula:

**C  
o  
p  
y**



**STEP ONE: Determine the property tax liability for the homestead that is imposed for the assessment date on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004.**

**STEP TWO: Determine the result of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005; minus

(B) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004.

**STEP THREE: Determine the product of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004; multiplied by

(B) one and one-tenth (1.1).

**STEP FOUR: Determine the lesser of the STEP TWO result or the STEP THREE result.**

**STEP FIVE: Determine the result of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2005, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2006; minus

(B) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005.

**STEP SIX: Determine the product of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005; multiplied by

(B) one and one-tenth (1.1).

**STEP SEVEN: Determine the lesser of the STEP FIVE result or the STEP SIX result.**

**STEP EIGHT: Determine the sum of the following:**

(A) STEP FOUR result.

(B) STEP SEVEN result.

**STEP NINE: Determine the greater of the STEP ONE result**

**C  
o  
p  
y**



or the STEP EIGHT result.

(c) If on an assessment date after March 1, 2003, and before March 2, 2005, the assessed value of the homestead is increased by an improvement to real property or an addition of real property, the property tax liability attributable to the improvement or addition shall be excluded from the calculations under subsection (b). In this case, the initial year threshold amount for the base year is the sum of the following:

(1) The result determined under subsection (b) without considering the effects of the improvement or the addition.

(2) The property tax liability attributable to the improvement or addition for the March 1, 2005, assessment date.

(d) The following is the base year for the homestead:

(1) 2005, to the extent the homestead consists of real property.

(2) 2006, to the extent that the homestead consists of a mobile home (as defined in IC 6-1.1-7-1).

Sec. 20. (a) This section applies to a homestead if the homestead:

(1) was not the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2003, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2004;

(2) was the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005; and

(3) has continuously served as the principal place of residence of the qualified resident thereafter.

(b) Subject to subsection (c), the initial year threshold amount for the base year for the homestead is the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the property tax liability for the homestead that is imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005.

STEP TWO: Determine the result of:

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2005, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2006; minus

(B) the property tax liability for the homestead that is

C  
o  
p  
y



imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005.

**STEP THREE: Determine the product of:**

(A) the property tax liability for the homestead that is imposed for the assessment date on March 1, 2004, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2005; multiplied by

(B) one and one-tenth (1.1).

**STEP FOUR: Determine the lesser of the STEP TWO result or the STEP THREE result.**

**STEP FIVE: Determine the greater of the STEP ONE result or the STEP FOUR result.**

(c) If on an assessment date after March 1, 2004, and before March 2, 2005, the assessed value of the homestead is increased by an improvement to real property or an addition of real property, the property tax liability attributable to the improvement or addition shall be excluded from the calculations under subsection (b). In this case, the initial year threshold amount for the base year is the sum of the following:

(1) The result determined under subsection (b) without considering the effects of the improvement or the addition.

(2) The property tax liability attributable to the improvement or addition for the March 1, 2005, assessment date.

(d) The following is the base year for the homestead:

(1) 2005, to the extent the homestead consists of real property.

(2) 2006, to the extent that the homestead consists of a mobile home (as defined in IC 6-1.1-7-1).

**Sec. 21. (a) This section applies to a homestead if the homestead:**

(1) was not the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on March 1, 2005, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, January 15, 2006;

(2) was the principal place of residence, as determined under IC 6-1.1-20.9, of an individual that qualifies as a qualified resident on an assessment date after March 1, 2005, or in the case of a mobile home (as defined in IC 6-1.1-7-1) that is a homestead, after January 15, 2006; and

(3) has continuously served as the principal place of residence of the qualified resident thereafter.

(b) The initial year threshold amount for the base year is the

C  
o  
p  
y





property tax liability imposed for the assessment date described in subsection (a)(2).

(c) The year containing the assessment date described in subsection (a)(2) is the base year.

Sec. 22. (a) For each year after the base year, the auditor of the county in which the homestead is located shall adjust the threshold amount under this section. In performing the calculation, the addition of a negative number shall be treated as reducing the sum.

(b) Subject to subsection (c) the threshold amount for a year is the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the property tax liability for the homestead that is imposed for the last assessment date for which a threshold amount was calculated without considering any deferral made under this chapter.

STEP TWO: Determine the result of:

(A) the property tax liability for the homestead that is imposed for the assessment date immediately following the last assessment date for which a threshold amount was calculated without considering any deferral made under this chapter; minus

(B) the STEP ONE result.

STEP THREE: Determine the product of:

(A) the STEP ONE result; multiplied by

(B) one and one-tenth (1.1).

STEP FOUR: Determine the lesser of the STEP TWO result or the STEP THREE result.

STEP FIVE: Determine the sum of the threshold amount for the immediately preceding year and the STEP FOUR result.

STEP SIX: Determine the greater of the threshold amount for the immediately preceding year or the STEP FIVE result.

(c) If after the last assessment date for which a threshold amount was calculated the assessed value of the homestead is increased by an improvement to real property or an addition of real property, the property tax liability attributable to the improvement or addition shall be excluded from the calculations under subsection (b). In this case, a separate initial year threshold amount shall be calculated for the improvement or addition. On the assessment date on which the improvement or addition is first assessed to the homestead, the initial year threshold amount is the property tax liability increase attributable to the improvement or addition. For purposes of applying subsection (b) in subsequent years, the base year is the year containing the assessment date on

C  
o  
p  
y



1 which the improvement or addition is first assessed to the  
 2 homestead. The threshold amount for the homestead is the sum of  
 3 the calculations for the homestead determined without considering  
 4 the improvements or additions and the calculations for each  
 5 improvement or addition.

6 Sec. 23. (a) The county treasurer shall annually determine the  
 7 following:

8 (1) The minimum required payment for the most current  
 9 assessment date.

10 (2) The maximum amount of property tax liability that may  
 11 be deferred for the assessment date.

12 (b) The minimum required payment is the lesser of the  
 13 following:

14 (1) The total tax liability due for the assessment date.

15 (2) The threshold amount calculated for the assessment date.

16 (c) The amount that may be deferred for any particular  
 17 assessment date is the greater of the following:

18 (1) Zero dollars (\$0).

19 (2) The result of the:

20 (A) property tax liability due for the assessment date;  
 21 minus

22 (B) minimum required payment for the assessment date.

23 (d) The county treasurer shall notify the county auditor of the  
 24 amount of the minimum required payment and the amount that  
 25 may be deferred in year.

26 Sec. 24. An amount of property taxes deferred in a particular  
 27 year does not accrue interest until the fifth year after it would have  
 28 otherwise have been due if it had not been deferred. Beginning in  
 29 the fifth year on the installment date on which the property taxes  
 30 would otherwise been due, the amount deferred for that particular  
 31 year accrues interest at the rate set under IC 6-8.1-10-1 for  
 32 delinquent listed taxes. The due date for the payment of accrued  
 33 interest is deferred until the earlier of the following:

34 (1) The date the property taxes on which the interest accrues  
 35 are due.

36 (2) The date that a taxpayer pays the accrued deferred  
 37 property taxes.

38 Sec. 25. The amount of any unpaid property taxes deferred in  
 39 any particular year is not due until after the later of the following:

40 (1) The date that all of the qualified residents named in the  
 41 application for property tax deferral cease to qualify as  
 42 qualified residents.

C  
o  
p  
y



(2) The date that no surviving spouse of a qualified resident named in an application for property tax deferral qualifies as a surviving spouse.

If ownership is transferred in exchange for anything of value, the unpaid property taxes and any accrued interest are due on the next business day after the transfer. Otherwise, the unpaid property taxes and accrued interest are due on the next regular installment date for the payment of property taxes.

Sec. 26. Any taxpayer for the homestead may appeal an adverse decision under section 12, 13, 15, or 25 of this chapter in the same manner that appeals may be taken under IC 6-1.1-15. Any taxpayer for the homestead may become a party to the appeal.

Sec. 27. (a) If deferred property taxes or accrued interest are not paid by the due date, the property taxes and interest shall be treated as delinquent property taxes under this article and as a delinquent tax liability under IC 6-8.1. The county auditor, in the manner prescribed by the department of local government finance, shall notify the department of local government finance of the delinquency not later than fifteen (15) days after the taxes become delinquent. The department of local government finance shall notify the department of state revenue of the delinquency.

(b) A county shall collect the delinquent liability in the manner that other delinquent property taxes are collected.

Sec. 28. The county auditor and the county treasurer shall separately account for:

(1) property taxes that are subject to an application for deferral under this chapter; and

(2) property taxes deferred under this chapter and interest imposed under this chapter.

Sec. 29. (a) Not later than the settlement date after property taxes are deferred under this chapter, the county treasurer shall send:

(1) an electronic copy of a notice of the amount of property taxes deferred on each homestead and interest imposed on deferred property taxes since the immediately preceding settlement date to the department of local government finance; and

(2) if the homestead consists of real property, a written copy of the notice of property taxes deferred on the homestead since the immediately preceding settlement date to the county recorder.

(b) The notice must be sent in the form prescribed by the

C  
o  
p  
y



department of local government finance.

(c) The notice submitted to the county recorder must contain at least the following information:

(1) The name of each person liable for the deferred property taxes under IC 6-1.1-2-4.

(2) The control number assigned to the corresponding application for deferral.

(3) The index number assigned under IC 6-1.1-5-2 for the homestead or, if an index system is not used in the county, a description of the county, township, block, and parcel or lot in which the homestead is located.

(4) The amount of property taxes that were deferred and interest imposed on deferred property taxes on each homestead since the last settlement date.

(5) The part of the deferred property taxes that is attributable to property taxes imposed by the state.

(6) The total amount of all property taxes deferred and interest imposed on deferred property taxes on all homesteads since the last settlement date.

Sec. 30. When deferred property taxes or interest on deferred property taxes are paid, the county treasurer shall:

(1) record the payment;

(2) notify the county auditor of the payment;

(3) if the payment is for real property, submit a written release of the lien for the amount of the payment to the county recorder for recording in the miscellaneous records of the county recorder; and

(4) notify the department of local government finance of the payment in the form prescribed by the department of local government finance.

Sec. 31. The county recorder shall record a:

(1) statement of the amount of property tax deferred and interest imposed on deferred property taxes;

(2) statement of payment of deferred property taxes and interest on deferred property taxes; and

(3) notice of termination of a deferral;

without charge, in the miscellaneous records of the county recorder.

Sec. 32. Subject to this chapter, the county treasurer shall distribute:

(1) amounts collected from deferred property taxes; and

(2) penalties and interest collected on deferred property taxes;

C  
o  
p  
y



to each taxing unit in the county in proportion to the property taxes levied by the taxing unit in the year of collection. The amount distributed under this section shall be treated as miscellaneous revenue.

**Sec. 33.** In making distributions under this chapter, the county treasurer may make a settlement of amounts owing to each other rather than making separate distributions.

**Sec. 34. (a)** Except:

(1) as required by federal law or regulation;

(2) in the case of a loan that is made, guaranteed, or insured by a federal government lending or insuring agency requiring the borrower to make payments to a lender with respect to an escrow or other type of account; or

(3) in a case in which this section would impair the obligations of a borrower under an agreement executed before July 1, 2005;

a lender shall not require a borrower to maintain an escrow or other type of account with regard to taxes for which the borrower has elected to defer taxes under this chapter.

(b) For purposes of applying this section, an election to defer taxes in any year shall be treated as an election to defer a similar amount of taxes in later years except to the extent that the borrower notifies the lender of different terms.

(c) Any payments made by the borrower to the escrow or other type of account with regard to taxes, before the time of submission of the evidence of tax deferral, for any period, if not previously used in payment or partial payment of taxes, shall be refunded to the borrower within thirty (30) days after the payment is made.

**SECTION 11.** [EFFECTIVE MARCH 1, 2005 (RETROACTIVE)] IC 6-1.1-12-9, as amended by this act, applies to property taxes first due and payable after December 31, 2005. Notwithstanding IC 6-1.1-12-10.1, an individual who qualifies for a property tax deduction under IC 6-1.1-12-9, as amended by this act, for real property may, in 2005, file for the deduction before August 1, 2005. An application filed before August 1, 2005, first applies to property taxes first due and payable in 2006.

**SECTION 12.** [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) IC 6-1.1-45, as added by this act, applies only to ad valorem property taxes first due and payable for assessment dates after February 28, 2005.

**SECTION 13.** An emergency is declared for this act.



**C  
O  
P  
Y**

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1747, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 22, line 9, delete "calculate a" and insert "**adjust the**".

Page 22, line 10, delete "." and insert "**under this section.**".

Page 22, line 16, delete "." and insert "**without considering any deferral made under this chapter.**".

Page 22, line 21, delete ";" and insert "**without considering any deferral made under this chapter;**".

Page 22, line 28, delete "STEP ONE amount" and insert "**threshold amount for the immediately preceding year**".

Page 22, line 30, delete "STEP ONE amount" and insert "**threshold amount for the immediately preceding year**".

Page 26, line 1, delete "(1)" and insert "**(2)**".

and when so amended that said bill do pass.

(Reference is to HB 1747 as introduced.)

ESPICH, Chair

Committee Vote: yeas 22, nays 1.

C  
o  
p  
y



## HOUSE MOTION

Mr. Speaker: I move that House Bill 1747 be amended to read as follows:

Page 3, between lines 21 and 22, begin a new paragraph and insert: "SECTION 3. IC 6-1.1-12-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2005 (RETROACTIVE)]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed ~~twenty-five~~ **thirty-five** thousand dollars ~~(\$25,000); (\$35,000);~~

(3) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred forty-four thousand dollars (\$144,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property,

C  
O  
P  
Y



an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the real property; or
- (2) twelve thousand four hundred eighty dollars (\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or
- (2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and

**C**  
**O**  
**P**  
**Y**





the denominator is the total number of tenants."

Page 26, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 11. [EFFECTIVE MARCH 1, 2005 (RETROACTIVE)]

**IC 6-1.1-12-9, as amended by this act, applies to property taxes first due and payable after December 31, 2005. Notwithstanding IC 6-1.1-12-10.1, an individual who qualifies for a property tax deduction under IC 6-1.1-12-9, as amended by this act, for real property may, in 2005, file for the deduction before August 1, 2005. An application filed before August 1, 2005, first applies to property taxes first due and payable in 2006."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1747 as printed February 22, 2005.)

WELCH

C  
o  
p  
y

